



COUNTY OF LOS ANGELES
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Director

To enrich lives through effective and caring service.

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February 8, 2007

To: Each Supervisor

From: Dave Lambertson
Director

Subject: **REPORT ON LOCAL SMALL BUSINESS ENTERPRISE PREFERENCE
FOR FISCAL YEAR 2005-06 AND THE FIRST HALF OF 2006-07**

This report is to provide your Board with the results of the Local Small Business Enterprise (SBE) Preference Program for Fiscal Year (FY) 2005-06, and the first half of FY 2006-07. This report also describes newly developed tools to provide greater information on the volume of County business with Local SBEs.

Background

The Local SBE Preference Program became effective October 28, 2002. The Program is designed to enhance contracting and procurement opportunities for local small businesses within the County by providing a five percent (5%) bid price reduction to bids submitted by certified Local SBEs.

The Local SBE Program is modeled on the State of California's small business preference program and utilizes the State's certification of small business status as a requirement for the County's certification of Local SBE status. In addition to State certification, the County's Local SBE Program requires a small business to have its principal office currently located within the County for a period of at least the past twelve months.

During the past year, ISD's Purchasing Division continued to train County departments on the Local SBE Preference program requirements as part of our regular procurement training program. This training has also been incorporated in our regular curriculum for the Office of Small Business training sessions held at trade fairs and vendor workshops.

Certified Local Small Business Participation Matrix

The following table presents the purchasing and contracting award and payment information related to certified Local SBEs for FY 2005-06 and half of FY 2006-07.

	Fiscal Year 2005-06	1st & 2nd Quarter Fiscal Year 2006-07
Total Number of Purchase and Contract Awards to Certified Local SBEs (County-wide)	8,852	3,842
Total Dollar Value of Purchase Orders and Contracts Awarded to Local SBEs (County-wide)	\$59,939,738	\$22,268,077
Total Number of Purchase and Contract Awards to All Vendors (County-wide)	640,503	314,781
Total Dollar Value of Purchase Orders and Contracts Awarded to All Vendors (County-wide)	\$4,471,568,048	\$3,778,497,926

The data was obtained from eCAPS using Cognos reporting tools (discussed further below). It captures all County-wide purchase orders, contract awards, and payment information for certified Local SBEs. Due to the enhanced financial information in eCAPS, we can now report far more accurately on the payments to Local SBEs. For example, in eCAPS, the use of miscellaneous vendor codes has been greatly reduced, thus payments can be tied to specific vendors. Also, eCAPS allows us to better capture small business purchases made by departments under delegated purchasing authority (e.g., purchases under \$5,000).

ISD also monitors the cost of granting a 5% bid preference over the low bid for certified Local SBEs. Between October 2002 and December 2006, the cumulative cost of granting the 5% preference was \$447,320 over the low bid cost.

Reporting Enhancements

In June 2006, your Board approved a project for ISD to extract financial data available in the new eCAPS financial system to create reports on Local SBE award and payment activities across all County departments. In this project, ISD worked with the Small Business Commission and the software vendor, Cognos, to develop new reporting tools. This system captures additional data, including awards and payments made under the various departments' delegated purchasing or blanket purchase order authority.

Moreover, this new web-based reporting tool provides viewers the ability to access and retrieve Local SBE program activity data by individual transaction and purchase type, by vendor, and by department, in time frames by month, quarter and year.

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Examples of typical data and screens from the new reporting system are attached. The Small Business Commission asked for data segmented by the size of the vendor (e.g., by vendor self-reported gross revenues and by number of employees). This data includes all self-reported small vendors, whether or not they are certified Local SBEs.

With the implementation of the new reporting system, we are in the process of developing a training program for roll-out. We plan to make this reporting tool accessible on-line to your Board Deputies, the Small Business Commission, and the County's Departmental Small Business Liaisons in the near future.

Lastly, I am also enclosing a copy of the newly released 2007 Local SBE Yellow Pages. This is our 2nd edition of this annual publication, and like the previous year, will be distributed to all County departments to serve as a ready-reference guide for all Purchasing and Contracting staff.

If you have any additional questions regarding the program, please call me directly, or your staff may contact Joe Sandoval, Purchasing Division Manager, at (323) 267-2670.

DL:j
Attachments

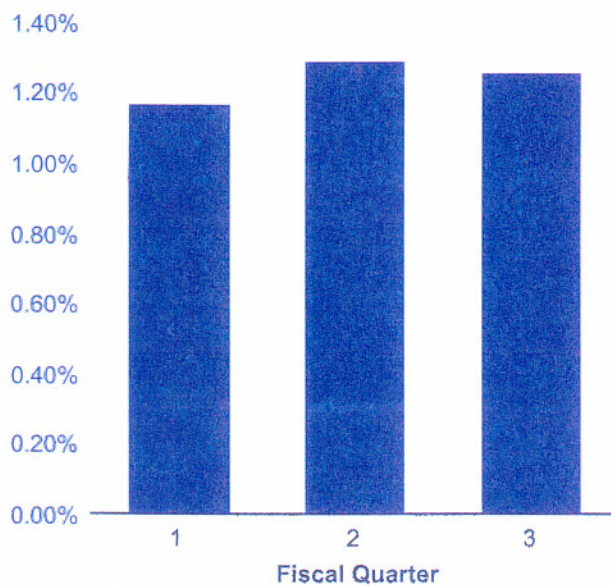
c: ISD Board Deputies
Chief Administrative Officer
Department Heads
Los Angeles County Small Business Commission

[Activity Home Page](#)[Payments by Fiscal Year](#)

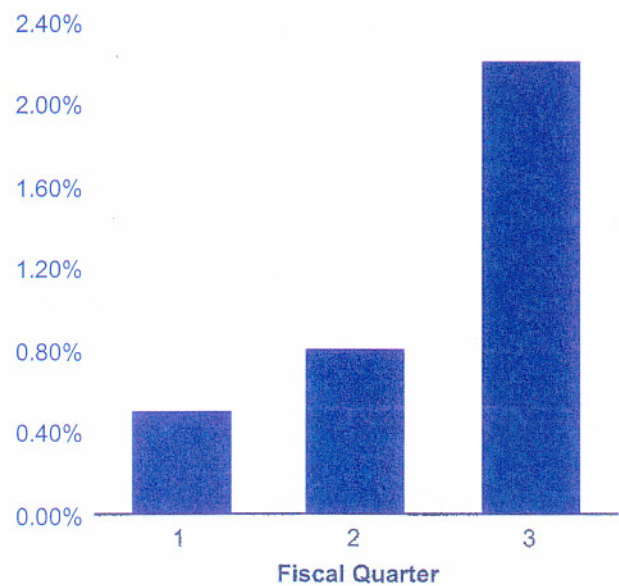
LSBE - Vendor Awards Activity - Fiscal Year

Fiscal Year: 2007	1	2	3	Total
Small Business Awards	1,501	2,341	700	4,542
Awards for remaining businesses	128,645	182,294	56,034	366,973
Total - Count	130,146	184,635	56,734	371,515
Small Business Award Dollars	\$13,080,655.77	\$9,187,420.98	\$6,068,856.66	\$28,336,933.41
Award dollars for remaining businesses	\$2,618,114,735.68	\$1,138,115,113.16	\$275,667,704.76	\$4,031,897,553.60
Total - Amount	\$2,631,195,391.45	\$1,147,302,534.14	\$281,736,561.42	\$4,060,234,487.01

Percentage of small business awards compared to total number of awards to LA County



Percentage of small business awards in dollars compared to total number of awards to LA County

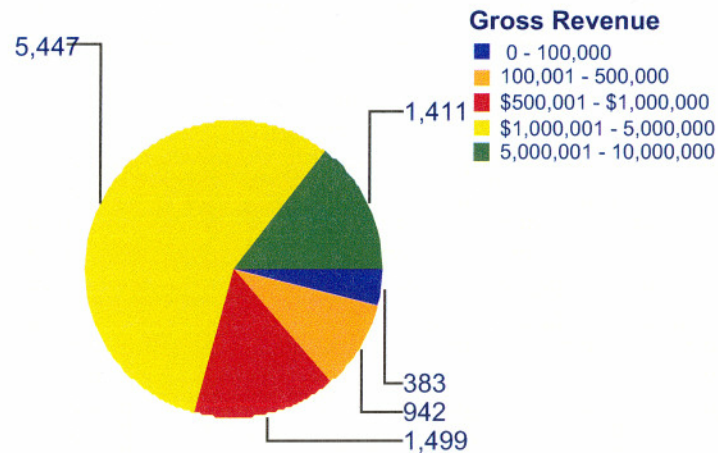




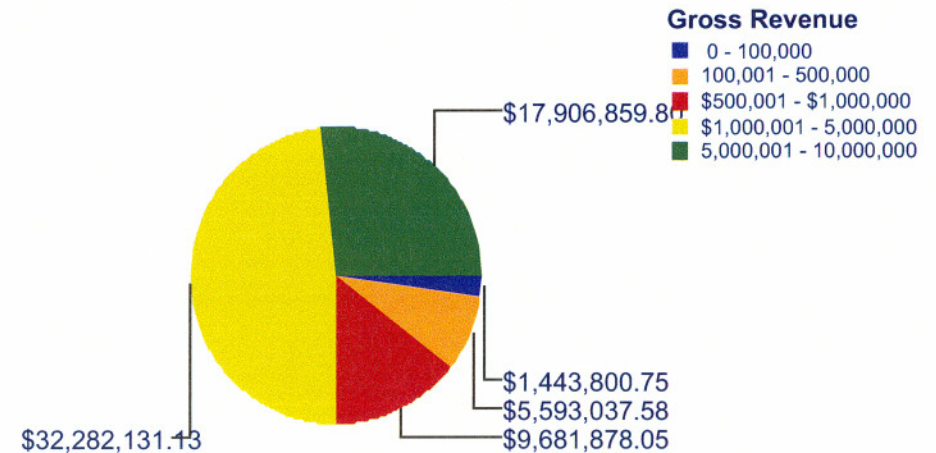
Local Small Business Enterprise (LSBE)
Vendor Award by Gross Revenue
for Fiscal Year : 2006

Gross Revenue	Award Count	Award Amount
0 - 100,000	383	\$1,443,800.75
100,001 - 500,000	942	\$5,593,037.58
\$500,001 - \$1,000,000	1,499	\$9,681,878.05
\$1,000,001 - 5,000,000	5,447	\$32,282,131.13
5,000,001 - 10,000,000	1,411	\$17,906,859.80
Summary	9,682	\$66,907,707.31

Award Count



Award Amount



**Local Small Business Enterprise (LSBE)****Vendor Award by Number of Employees****for Fiscal Year : 2006**

	No Of Employees	Award Count	Award Amount
■	Less than 11 Employees	4,611	\$30,891,547.58
■	11 to 20 Employees	818	\$8,384,732.22
■	21 to 30 Employees	1,461	\$12,096,482.15
■	31 to 40 Employees	1,070	\$4,796,381.99
■	41 to 50 Employees	70	\$19,734.94
■	51 to 60 Employees	184	\$2,075,319.18
■	61 to 70 Employees	1,326	\$1,665,117.69
■	71 to 80 Employees	120	\$6,247,239.25
■	81 to 90 Employees	5	\$424,051.50
■	91 to 100 Employees	2	\$99,960.00
■	More than 100 Employees	15	\$207,140.81
	Summary	9,682	\$66,907,707.31



Local Small Business Enterprise (LSBE) Vendor Award by Number of Employees

